Fairtree Woodland Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

30 April 2020

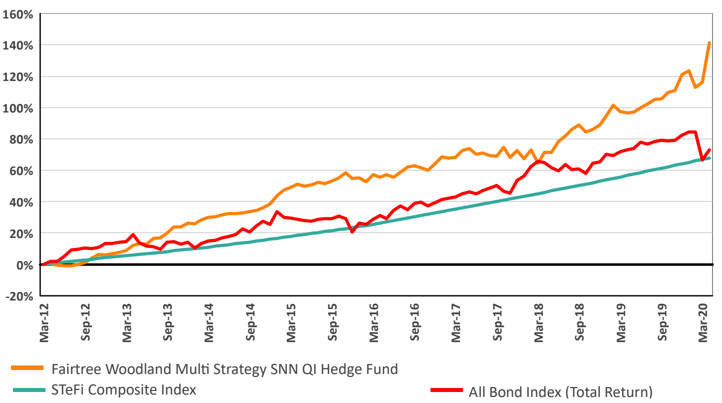
Fund Profile

The Fairtree Woodland Multi Strategy SNN QI Hedge Fund is a single hedge fund which provides investors with exposure to a diversified range of alternative investment strategies across multiple asset classes. The underlying strategies are managed by award winning specialist strategy teams, with all securities traded for one fund structure. A dedicated multi strategy team is responsible for the capital allocation and risk monitoring. The objective of the capital allocation process is to minimise downside risk by actively managing risk diversification. The portfolio is constructed using a risk parity approach. No individual strategy dominates the fund's risk exposure. Tactical tilts are used to direct capital towards the most attractive opportunity sets and / or protect the fund against unintended factor, name and sector concentration risk. The fund targets an annualised return of 3 month JIBAR + plus 10% over a rolling three year period. With minimal drawdown risk and relatively uncorrelated returns.

Investment Strategy

The portfolio invests in several strategies over various instruments, asset classes and portfolios. It combines a strategic risk allocation which provides the optimal diversification benefit across the various strategies, with tactical risk allocation to the most attractive opportunity sets as identified on a bottom up basis.

Cumulative Performance Since Inception



Fund Source: Sanne Fund Services SA (Pty) Ltd as at April 2020
Index Source: Bloomberg as at April 2020

Return Analysis (annualised)

	Woodland	All Bond Index	STeFi
1 Year	22.62%	0.06%	7.14%
3 Years	11.81%	6.11%	7.28%
5 Years	9.82%	6.09%	7.23%
Since Inception	11.52%	7.02%	6.61%

Risk Analysis

	Woodland	All Bond Index	STeFi
Sharpe Ratio	0.65	0.09	0.27
Sortino Ratio	1.25	0.14	0.44
Standard Deviation	7.34%	8.11%	0.25%
Best Month	11.55%	6.49%	0.66%
Worst Month	-4.80%	-9.75%	0.00%
Highest Rolling 12 Months	22.62%	21.23%	7.71%
Lowest Rolling 12 Months	-2.20%	-5.61%	5.16%
Largest Cumulative Drawdown	-5.72%	-9.79%	n/a
% Positive Months (Since Inception)	73.20%	63.92%	n/a
Correlation (Monthly)	0.55		
Value at Risk 95%	6.69%		

The above benchmark(s) are for comparison purposes with the fund's performance. The fund does not follow the benchmark(s).

Fund Details

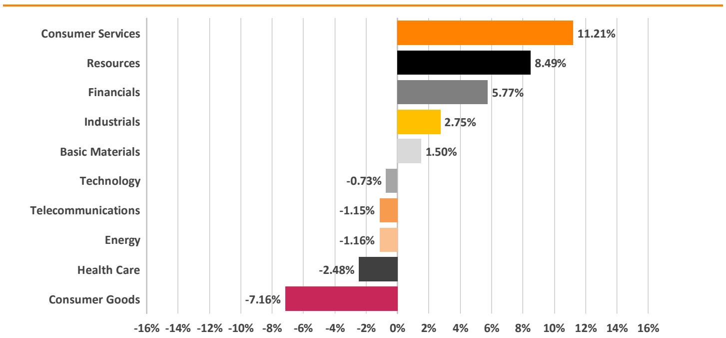
Risk Profile:	Med-High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 136.8
NAV Price (Inception):	R 1000
NAV Price (as at month end):	R 2,476.13
Number of Units:	55,505.92
JSE Code:	FWOOD1
ISIN Number:	ZAE000255584
Inception Date:	1 April 2012
CISCA Inception Date:	1 December 2016
ASISA Classification:	Qualified Investor Hedge Fund - South African - Multi-Strategy
Hurdle/Benchmark:	3 month JIBAR
Minimum Investment:	R 1 000 000 Lump sum
Fees	
Management Fee:	2% p.a (excl.VAT)
Performance fee (uncapped):	20 % of excess above the high water mark, subject to a hurdle rate of 3 month JIBAR (excl.VAT)
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER%):	9.01%
Transactions Costs Ratio (TC%):	0.53%
* Total Investment Charges (TIC%):	9.54%
Performance Fee (PF) Included in TER:	6.02%
Income Distribution (Declaration):	Last day of December
Distribution Total for the past 12 months:	0.00 cpu for December 2018
Investment Manager contact details	Fairtree Asset Management (Pty) Ltd
Telephone Number:	+27 86 176 0760
Website:	www.fairtree.com

***Total Investment Charges (TIC%) = TER (%) + TC (%)**

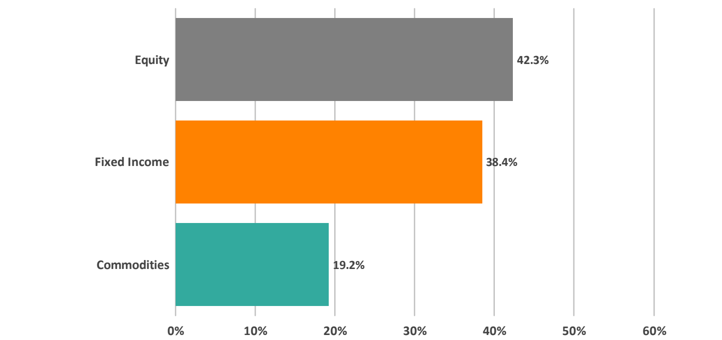
Portfolio Objective

The long-term objective of the portfolio is to achieve superior risk adjusted returns through investment in risk controlled strategies, across a number of different asset classes.

Sector Allocation



Asset Allocation



Increase in NAV Attributable to Investors

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012				0.29%	-1.06%	-0.29%	0.17%	0.68%	1.20%	2.71%	2.51%	-0.29%	**6.00%**
2013	0.48%	0.95%	1.16%	3.11%	1.05%	-0.52%	3.23%	0.35%	2.36%	3.54%	-0.09%	2.17%	**19.20%**
2014	-0.41%	2.10%	1.28%	0.07%	1.02%	0.70%	-0.05%	0.42%	0.53%	0.68%	1.17%	1.58%	**9.44%**
2015	3.81%	2.67%	1.26%	1.26%	-0.77%	0.46%	1.04%	-0.40%	1.09%	1.15%	2.24%	-2.46%	**11.79%**
2016	0.36%	-1.48%	2.93%	-1.20%	1.16%	-1.17%	2.09%	2.06%	0.59%	-0.77%	-0.98%	2.61%	**6.22%**
2017	2.72%	-0.61%	0.39%	2.61%	0.78%	-2.27%	0.60%	-1.04%	-0.18%	3.29%	-3.67%	2.78%	**5.25%**
2018	-3.20%	3.34%	-4.80%	4.10%	0.01%	4.03%	2.12%	2.11%	1.60%	-2.40%	0.84%	1.61%	**9.27%**
2019	2.96%	3.59%	-1.91%	-0.37%	0.12%	1.52%	1.18%	1.44%	0.11%	2.10%	0.46%	4.94%	**17.15%**
2020	1.05%	-4.68%	1.53%	11.55%									**9.09%**

*The inception date for the portfolio is 1 April 2012. The historical performance figures until the end of 30 November 2016 reflect performance achieved prior to CISCA regulation. The portfolio has been transitioned under CISCA regulations on 1 December 2016 and has since been managed as a regulated product. The annualized total return is the average return earned by an investment each year over a given time period, since date of the launch of the fund. Actual annual figures are available from the manager on request. The highest and lowest 1 year returns represent the highest and lowest actual returns achieved during a 12 month rolling period year since the original launch date of the portfolio. The performance figures given show the yield on a Net Asset value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. Performance is calculated for a lump sum investment on a Net Asset Value basis. The performance figures are reported net of fees with income reinvested.

Risk Profile

Risk Level: **Low** **Low-Medium** **Medium** **Med-High** **High**

The risk category shown is not guaranteed and may change over time. The lowest category does not mean the investment is risk free. There may be other special areas of risk relating to the investment including liquidity risk, credit risk, market risk, and settlement risk. Sanne Management Company (RF) (Pty) Ltd, ("the manager"), and the investment manager do not render financial advice. Our risk indicator does not imply that the portfolio is suitable for all types of investors. You are advised to consult your financial adviser.

Portfolio Valuation & Transaction Cut-Off

Portfolios are valued monthly. The cut off time for processing investment subscription is 10:00am on the last day of the month prior to enable processing for investment on the first day of the next month.

Total Expense Ratio

A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

Market Commentary

Global risk sentiment recovered sharply in April. Aggressive policy intervention by central banks and governments reduced financial market stress and volatility and improved liquidity. Equity markets rallied aggressively and recovered about half of their first quarter losses. However, emerging market currencies remain under pressure and developed market bond yields are stuck at historical low levels as interest rates are set to fall further in emerging markets and remain low for an extended time in developed markets.

US 10-year treasury yields dropped only -3bps while global equities jumped 11% over the month to bring the year to date return to -13%. The South Africa All Share Index rallied 14% (YTD -9%) while the All Bond Index returned +4%, but still -6% down on the year. The 10-year SA government bond (R2030) yield dropped -70bps despite the ratings downgrade to junk late in March and risk of WGBI exclusion end of April. The Rand lost almost -4% against the US dollar. Gold managed to rally more than 6%.

Market volatility measured by the VIX index, high yield spreads and interbank funding rates have reduced sharply as financial market tail risks were priced out and signs of the spread of the virus peaking in Europe and the US. Despite the sharp hit to economic activity, jobs and earnings, the market has looked through these near-term risks and continue to expect a sharp recovery over H2-2020. According to the IMF global growth is expected to contract by -3% this year and expand by close to 6% next year. Economic data suggest that activity may have bottomed in April as many countries and states look to reopen over May. In the US more than 20.5mn jobs were lost over April. Around 80% of those job losses were classified as temporary and will most likely go back to their previous employer in the case of a sharp recovery. However, the risk of a resurgence in Covid-19 cases remains elevated as economies start to re-open. The policy response by monetary and fiscal authorities continue to grow as the amount of asset purchases to global GDP exceed 6% while the fiscal response is in excess of 5% of global GDP. We expect more asset purchases and fiscal programs to be announced soon, including from China. We continue to monitor China's re-opening of their economy. Industrial activity has now normalised but weak global demand is weighing on manufacturing. The services side of the economy is still on the mend. As we move closer to the US election, we believe the relationship between the US and China is likely to deteriorate further. A resurgence of the trade war will weigh on markets.

In South Africa the economic impact of Covid-19 and the phased-out lockdown is now estimated to be -7% GDP growth over 2020. With inflation likely to fall below 3%, the SARB can cut rates further by 50-100bps. The fiscal dynamics are set to deteriorate and the budget deficit may hit -12% of GDP this year. South Africa may have to rely on further outside assistance from the World Bank, IMF or New Development Bank to consolidate its debt.

The Fairtree Multi Strategy QI Hedge Funds continued to add value to investors during April, recovering from the short Q1 drawdown. Fortunately, all three asset classes posted positive returns during the month which resulted in the biggest one month positive return for Woodland, and the second biggest for Wild Fig. Considering the rebound in equity markets, it seems fitting to report that the equity directional relative value strategies lead the charge with market neutral relative value's contribution the second biggest. The Fixed Income strategy continued its exceptional run with another positive month. Wild Fig's 12-month performance is close to 28% and Woodland approximately +22% compared to the JSE All Share's -15.7%.

Equities: The outlook for global earnings growth has weakened along with earnings certainty. However, aggressive central bank and fiscal policies have provided support to global equity prices. Current global valuations contain little safety margin. Valuations of domestic equities are attractive but we remain cautious given the poor growth outlook. The domestic economy will only start to benefit from interest rate cuts and lower fuel prices when activity normalise. We like selected local and global exposed cyclical assets with strong balance sheets and global earnings growth potential. We like resources given tight supply and relative attractiveness of China vs other markets.

Fixed Income: South Africa's inflation remain low while inflation expectation decreases further. Given current weak economic activity and downside risk to inflation the SARB may continue with its rate cut cycle. Liquidity in the bond market remain a concern. Bonds have rallied as rate cuts and lower credit risk premium were priced by the market. Credit spreads stabilised through the month.

Currency: We believe the US dollar strength has stabilised and that recent uncertainty around US growth and potential for aggressive policy action could drive US dollar lower. Fundamentals for the ZAR is improving and we believe the currency is undervalued at current levels. Improving current account and term of trade should provide support to the currency along with the attractive real yield it offers.

Alternatives: We believe higher levels of volatility amongst asset classes and securities will increase dispersion and lead to a more favourable environment for alternative assets to perform.

Please Note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.

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Glossary

Net Asset Value (NAV):	Means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.
Annualised Return:	Is the weighted average compound growth rate over the performance period measured.
Highest & Lowest Return:	The highest and lowest rolling twelve-month performance of the portfolio since inception.
Total Expense Ratio (TER) :	Reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.
Transaction Costs (TC) :	Is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.
Total Investment Charges (TIC):	Should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.
Total Investment Charges (TIC%):	= TER (%) + TC (%): The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).
Standard Deviation:	The deviation of the return of the portfolio relative to its average.
Drawdown:	The greatest peak to trough loss until a new peak is reached.
Sharpe Ratio:	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
Sortino Ratio:	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
Correlation:	A number between -1 and 1 indicating the similarity of the dispersion of returns between the portfolio and another asset or index with 1 being highly correlated, -1 highly negatively correlated and 0 uncorrelated.
Value at Risk (VaR):	Value at risk is the minimum loss percentage that can be expected over a specified time period at a predetermined confidence level.

Fund Risk

Leverage Risk:	The Fund borrows additional funds, trades on margin or performs short sale trades to amplify investment decisions. This means that the volatility of a hedge fund portfolio can be many times that of the underlying investments due to leverage on a fund.
Derivative Risk:	Derivative positions are financial instruments that derive their value from an underlying asset. Derivatives are exposed to implicit leverage which could result in magnified gains and/or losses on the portfolio.
Counterparty Credit Risk:	Counterparty risk is a type of credit risk and is the risk of default by the counterparty associated with trading derivative contracts. An example of counterparty credit risk is margin or collateral held with a prime broker.
Volatility Risk:	Volatility refers to uncertainty and risk related to size of change of an instrument or portfolio. It is a statistical measure of the dispersion of returns for a given security or market index. Volatility is proportional to the directional exposure of a portfolio and is measured by Value at risk (VaR) which is a statistical technique used to measure and quantify the level of volatility.
Concentration and Sector Risk:	A large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.
Correlation Risk:	A measure that determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes change. Correlation risk also arises when the correlation within an asset-class changes. Examples of correlation within asset classes include equity pairs trading, fixed income curve trading and commodities pairs trading.
Equity Risk:	Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector.
Concentration and Maturity Segment Risk:	A large proportion of total assets invested in specific assets and/or maturity segments on the yield curve. Concentrated positions in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.
Interest Rate Risk:	The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates.
Credit Default Risk:	The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting.
Commodity Price Risk:	Commodity price risk is the possibility that commodity price changes will cause financial losses for the buyers or producers of a commodity. Primary factors influencing commodity prices include politics, seasons, weather, technology and market conditions.

Mandatory Disclosures

Investment Manager: Fairtree Asset Management (Pty) Ltd, **Registration Number:** 2004/033269/07 is an authorised Financial Services Provider (FSP25917) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (N0.37 of 2002). Please be advised that there may be representatives acting under supervision. **Physical Address:** Willowbridge Place, Cnr. Carl Cronje and Old Oak Road, Bellville, 7530. **Postal Address:** PO Box 4124, Tygervalley, 7536. **Telephone Number:** +27 86 176 0760. **Website:** www.fairtree.com. **Management Company:** Sanne Management Company (RF) (Pty) Ltd (the "Manager"), **Registration Number:** 2013/096377/07, is authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS)). **Physical Address:** Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa. **Telephone Number:** +27 21 202 8282. **Website:** www.snnmanco.com, **Trustee:** Firstrand Bank Limited, Johannesburg, **Telephone:** +27 87 736 1732.

Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions, as well as a detailed description of how performance fees are calculated and applied, is available on request from Sanne Management Company (RF)(Pty) Ltd ("the Manager"). The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. The Manager may close the portfolio to new investors in order to manage it efficiently according to its mandate. Prices are published monthly on our website and local media. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where foreign investments are included in the portfolio, performance is further affected by uncertainties such as changes in government policy, political risks, tax risks, settlement risks, foreign exchange risks, and other legal or regulatory developments. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within

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